



**Connecticut Society of  
Certified Public Accountants  
(CSCPA)**

**Oral Testimony Concerning**

**Raised Bill ("RB") No. 5025  
"An Act Concerning the Ownership of Public Accounting Firms"**

**Respectfully Submitted to the Committee on  
Government Administration and Elections**

**by**

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Good day Senator Slossberg, Representative Morin, members of the Committee on Government Administration and Elections. I'm Art Renner, I am a CPA and I am the executive director of the 6,000-member Connecticut Society of Certified Public Accountants. I am here to testify on behalf of Connecticut's organized CPA profession in favor of Raised Bill 5025, "An Act Concerning the Ownership of Public Accounting Firms."

This bill would modernize the rules regarding the ownership of Certified Public Accounting firms. Currently, CPA firms must be owned in their entirety by licensed CPAs. This bill would enable minority non-CPA ownership by other individuals employed within the practice, up to a collective maximum of 49 percent of the firm.

This proposal originates with the State Board of Accountancy, the body responsible for regulation of the profession, and has been submitted by the Office of the Secretary of the State, under which the State Board is organized. In addition, the National Association of State Boards of Accountancy, and the American Institute of Certified Public Accountants have both long supported this concept, provided that the CPAs maintain a majority ownership interest, as provided for in this bill.

Connecticut CPAs are licensed solely and expressly to perform the attestation function – opining on financial statements. But CPA firms provide many additional services, including accounting, tax work, personal financial planning, business advisory services, IT consulting, forensic accounting, and more. In doing so, they frequently employ non-CPAs who are experts in these disciplines.

These non-CPAs are critically important to the effectiveness of the CPA practice. Business has grown increasingly complex. Global competition, the complexity of business structures and transactions, innovative financial instruments, and rapid technological breakthroughs are the norm today, not the exception.

Minority non-CPA ownership of CPA firms is not new ground. Around the nation, 46 states already permit non-CPA ownership of firms. In fact, it is important that all states

be consistent in this regard, so that a level playing field exists in terms of organizational structure for firms both large and small across the country.

This change would benefit the profession and the public alike. While those non-CPAs could be compensated solely with cash, having an equity interest in the firm not only provides a greater financial opportunity for the individual, it vests in individual a furthered interest in the success of the organization. This is best for everyone.

History shows us that the experience of non-CPA ownership has been one without problems for the profession and the public. Regulators have not reported issues with non-CPAs, nor has this become a compliance or enforcement issue.

Permitting non-CPA ownership of certified public accounting firms will enhance the firms' ability to retain talented executives and the ability to best serve clientele. At the same time, it will "catch Connecticut up" with the rest of the nation and indeed reinforce the sense that Connecticut is "open for business."

Again, the Connecticut Society of CPAs strongly supports Raised Bill No. 5025 and we appreciate the opportunity to express that support here today before your committee.